

**MINUTES OF THE JOINT PUBLIC EDUCATION APPROPRIATIONS
SUBCOMMITTEE
WEDNESDAY, FEBRUARY 26, 2003
ROOM 129, STATE CAPITOL BUILDING
Corrected Minutes**

Members Present: Sen. Howard Stephenson, Co-Chair
Rep. Gordon E. Snow, Co-Chair
Sen. James Evans
Sen. Karen Hale
Sen. Lyle Hillyard
Sen. Bill Wright
Rep. Doug Agard
Rep. Duane Bourdeaux
Rep. Judy Ann Buffmire
Rep. LaVar Christensen
Rep. David N. Cox
Rep. Marda Dillree
Rep. Glenn Donnelson
Rep. James Ferrin
Rep. Karen Morgan

Member Absent: Rep. John Dougall

Staff Present: R. Michael Kjar, Legislative Fiscal Analyst
Ben Leishman, Legislative Fiscal Analyst
Nedra Duzett, Secretary

Public Speakers Present: Sen. David Steele

Visitor List on File

Committee Co-Chair Sen. Stephenson called the meeting to order at 1:09 p.m.

1. Approval of Minutes - **MOTION:** Rep. Cox moved to approve the minutes of Feb. 7 and Feb. 10, 2003 meetings.

The motion passed unanimously with Sen. Evans and Rep. Bourdeaux absent for the vote.

2. Budget Discussion Continuation - Sen. Stephenson explained the reason for an additional meeting of the Public Education Appropriations Committee. There is a possibility of additional funding for public education in the amount of \$15 million, \$10 million in ongoing money and \$5 million in one-time money. The co-chairs had requested Executive Appropriations to give the committee the opportunity to make recommendations if any money was restored. Sen. Stephenson said the Public Education Appropriations Committee has spent many hours working on the budget for public

schools, and in listening to concerns of the education community and the public, and it was felt that the committee may understand better where this money should be used.

Sen. Steele, Co-chair of the Health & Human Services Committee, asked committee members to consider the impact of cuts on adult education. He said there is an advantage in providing additional support to adult education funding because of the jobs produced. The fiscal analyst said if you apply the formula of higher education to increased income created by people that get jobs by receiving high school diplomas or GEDs, the impact is \$4,000,000 in tax revenue to the state.

Sen. Hillyard asked Supt. Laing for his opinion on the Adult Education program. Supt. Laing said the adult education program is a match program so any state funding that is reduced will affect the amount of federal money that is received. The maintenance of effort looks at what was spent last year and requires that the state spend at least that much the next year to qualify for the federal money. Supt. Laing said the cuts may put the program in jeopardy.

Sen. Stephenson had copies of proposed language for the Capital Outlay Program distributed. He reported that some committee members have said they will only vote for restoration of the \$4,000,000 if it is allocated on a different basis than what is done currently. The intention of the proposed language is to allocate monies to those districts who qualify under the regular program based on actual student growth.

Mike Kjar, fiscal analyst, said the total appropriation intended for the Capital Outlay portion of the minimum school program for the fiscal year beginning July 1, 2003 is \$28,358,000. Of this amount \$24,358,000 would be in accordance with the Capital Outlay Foundation Program, and \$4,000,000 in accordance with the Enrollment Growth Program.

Mr. Kjar explained the proposed formula for distribution of the \$4,000,000. In order for a school district to qualify for monies under the Enrollment Growth Program, the district must be a recipient of monies distributed under the Capital Outlay Foundation Program. Currently there are 16 districts that qualify for the monies.

A school district that is not a recipient of Capital Outlay Foundation Program monies in fiscal year 2003-04, fiscal year 2004-05, or both, may qualify for monies under the Enrollment Growth Program if the school district received Capital Outlay Foundation Program monies in fiscal year 2003-03.

The State Board of Education shall distribute monies in the Enrollment Growth Program to qualifying school districts whose average net enrollment for the prior three years is a net increase in enrollment.

Sen. Stephenson commented that if the committee meets during the interim as in past

years, an agenda item should be to reevaluate the funding formula for the school building capital outlay. Also, at the suggestion of some committee members, an item for study would be to look at requirements for certain economies in building construction in order to qualify for the money.

MOTION: Rep. Ferrin moved to adopt the proposal that \$4,000,000 of the Capital Outlay Program restoration be allocated according to the formula spelled out in the handout.

The motion passed with Rep. Bourdeaux and Rep. Dillree voting against the motion.

MOTION: Rep. Dillree moved that the committee study the present funding formula for distribution of the school building equalization funding, and also address whether the funding ought to be increased.

The motion passed unanimously.

MOTION: Rep. Ferrin moved to appropriate \$100,000 to the Utah State Office of Rehabilitation for the purpose of addressing the unmet service needs of individuals with disabilities that has occurred as a result of growth in Vocational Rehabilitation Services, Independent Living Services, Services for the Deaf, and Services for the Blind, and that the \$100,000 be drawn from line 11, Quality Teaching Block Grant.

SUBSTITUTE MOTION: Sen. Wright moved to adopt the blue sheet with changes proposed by Rep. Ferrin.

Hillyard requested a division of the substitute motion.

The first division of the substitute motion was to appropriate \$100,000 to the Utah State Office of Rehabilitation for the purpose of addressing the unmet needs of individuals with disabilities.

The motion passed with Sen. Hillyard, Sen. Hale, Rep. Christensen, Rep. Cox, and Rep. Morgan voting against the motion.

The second part of the substitute motion was to adopt the blue sheet with the changes made by Rep. Ferrin.

MOTION: Rep. Cox moved to adjourn.

The motion failed. Rep. Cox, Rep. Dillree, Rep. Morgan, Rep. Ferrin, and Sen. Wright voted in favor of the motion.

Sen. Stephenson asked for a vote on the second part of the divided motion to accept line 23 on the blue sheet as printed.

The motion passed with Sen. Hillyard, Rep. Christensen, and Rep. Aagard voting against the motion.

MOTION: Sen. Wright moved to take adoption of the blue sheet and if it is reduced \$5,000,000, each line item would be cut by 50%.

The motion passed with Rep. Bourdeaux, and Rep. Morgan voting against the motion and Sen. Hale absent for the vote.

MOTION: Rep. Dillree moved to accept all the motions that would go before the Executive Appropriations Committee dated February 26, 2003 and titled Joint Public Education Appropriations Subcommittee Motions.

The motion passed with Rep. Bourdeaux, Rep. Morgan, and Rep. Buffmire voting against the motion and Sen. Hale absent for the vote

MOTION: Rep. Ferrin moved to adjourn at 2:20 p.m.

Minutes prepared by Nedra Duzett, Secretary.

Sen. Howard Stephenson, Committee Co-Chair

Rep. Gordon Snow, Committee Co-Chair